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Proposed programme budget for the biennium 2000-2001

Review of resource requirements for the high-level international intergovernmental event on financing for development and the Third United Nations Conference on the Least Developed Countries

Note by the Secretary-General

1. The General Assembly, in paragraph 5 of its resolution 54/258 of 7 April 2000, requested the Secretary-General to explore ways of providing the resource requirements for the high-level international intergovernmental event on financing for development and the Third United Nations Conference on the Least Developed Countries and to report to the Assembly at the second part of its resumed fifty-fourth session.

2. As regards the resource requirements for the high-level international intergovernmental event on financing for development, it should be noted that in the course of its resumed organizational session, the Preparatory Committee for the event recommended that the General Assembly adopt draft resolution A/54/L.82. The draft resolution contains proposals for a number of activities to be carried out by the Bureau of the Preparatory Committee. A statement on the programme budget implications of these proposals will be issued in document A/C.5/54/59. These implications would amount to $154,500 and would provide for the travel and daily subsistence allowance of participants in consultations of the Bureau with intergovernmental and other stakeholders. Requests for any additional resources that might be required for activities during the preparatory process would be submitted through the established procedure, following the decisions that the Preparatory Committee would be taking at the future meetings of its resumed organizational session and/or its substantive sessions.

3. As regards the resource requirements for the Third United Nations Conference on the Least Developed Countries, it is estimated that the participation of two government representatives from each least developed country in the meetings of the Preparatory Committee and the Conference itself would cost $1,164,500 and $500,500 respectively. As indicated previously (A/C.5/54/50, para. 6), the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) sent a note verbale on 14 February 2000 to States members of UNCTAD inviting them to consider providing voluntary contributions to enable representatives of the least developed countries to participate in the meetings of the Preparatory Committee and the Conference itself. As at the present date, no contribution has been received by the Secretariat in response to this invitation.

4. A review of the existing extrabudgetary resources that could be used for the payment of travel costs of

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representatives of least developed countries has shown that $113,000 was available in the Trust Fund for the Participation of Least Developed Countries in Intergovernmental Meetings. This trust fund was established in June 1995 to finance the participation of representatives of least developed countries in the High-level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s. In accordance with General Assembly resolution 49/98 of 19 December 1994, this trust fund was established through the utilization of unexpended extrabudgetary funds transferred from the Voluntary Fund for Supporting Developing Countries Participating in the United Nations Conference on Environment and Development and Its Preparatory Process. **It is proposed that the General Assembly approve the use of the balance of $113,000 available in the trust fund to provide a portion of the $582,000 required for the participation of least developed countries in the first session of the Preparatory Committee. This would mean that an amount of $469,000 would still be required in order to enable two representatives of each least developed country to participate in the first session of the Preparatory Committee in July 2000.**

5. It is recalled that in paragraph 14 of its resolution 54/235 of 23 December 1999, the General Assembly requested the Secretary-General, in the event that extrabudgetary resources should be insufficient, to consider all other options, including the use of unspent balances from the regular budget for the biennium 1996-1997. Subsequently, however, in paragraph 3 of its resolution 54/258, the Assembly decided that the unspent balance would be retained until all activities and programmes outlined in the report of the Secretary-General of 13 May 1998 (A/52/898 and Corr.1) and approved by the General Assembly in its resolution 53/3 of 12 October 1998 were completed. The Trade and Development Board decided that 10 expert meetings would be convened over the next 12 months. As a result, it is anticipated that the unspent balance would be fully committed. The use of these unspent balances to defray the cost of participation of representatives of least developed countries to the first session of the Preparatory Committee cannot therefore be envisaged.

6. In the event that no voluntary contributions are received by the Secretariat before the opening of the first session of the Preparatory Committee, alternative funding for the participation of the least developed countries in that session could be provided by the utilization, on an exceptional basis, of the savings on exchange rates achieved since the beginning of the current year in respect of the regular budget appropriation for UNCTAD. Since the approval of the proposed programme budget for the biennium 2000-2001 in December 1999, the United States dollar has strengthened considerably against the Swiss franc. The savings generated by the exchange rate changes are estimated to amount to approximately $700,000 as at 31 May 2000 in respect of section 11A of the proposed programme budget for 2000-2001. This amount would be more than sufficient to enable the participation of two representatives of each least developed country in the first session of the Preparatory Committee.

7. If the above suggestion is approved, the Secretary-General would report to the General Assembly, in the context of the first performance report, on the resources utilized for the first session of the Preparatory Committee. In addition, should there continue to be a shortfall in the availability of extrabudgetary resources for the participation of representatives of least developed countries in the second session of the Preparatory Committee and the Conference itself, the Secretary-General would bring that situation to the attention of the General Assembly at its fifty-fifth session for appropriate action together with any other additional requirements that may be considered necessary in order to enable UNCTAD to provide full substantive support to the preparatory process and the Conference itself.